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RECORDATION NO. 22754-C FILED

DEC 27 '00 11:06 AM

SURFACE TRANSPORTATION BOARD
lgitomer@bjllp.com

December 27, 2000

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Partial Release from Surface Transportation Board Filed Encumbrance a secondary document, dated as of December 27, 2000. The primary document to which this is connected is recorded under Recordation No. 22754. We request that one copy of this document be recorded under Recordation No. 22754-C.

The name and address of the party to the Partial Release from Surface Transportation Board Filed Encumbrance is:

Secured Party:

The Bank of Nova Scotia
600 Peachtree Street, Suite 2700
Atlanta, GA, 30308

A description of the equipment covered by the Partial Release from Surface Transportation Board Filed Encumbrance consists of 25 GP-38 locomotives numbered CORP 3815-3817, inclusive, 3822-3826, inclusive, 3828, 3829, 3831, and 3832; GR 3839; and NECR 3844-3855, inclusive.

. BALL JANIK LLP

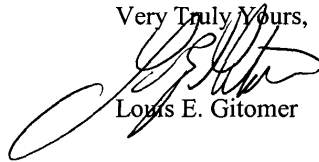
Honorable Vernon A. Williams
December 27, 2000
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A fee of \$26.00 is enclosed. Please return one original of the document to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Partial Release from Surface Transportation Board Filed Encumbrance by The Bank of Nova Scotia, 600 Peachtree Street, Suite 2700, Atlanta, GA, 30308, covering 25 GP-38 locomotives numbered CORP 3815-3817, inclusive, 3822-3826, inclusive, 3828, 3829, 3831, and 3832; GR 3839; and NECR 3844-3855, inclusive.

Very Truly Yours,



Louis E. Gitomer

Enclosures

RECORDATION NO. 22754-C FILED

DEC 27 '00 11:06 AM

Partial Release from Surface Transportation Board Filed Encumbrance

SURFACE TRANSPORTATION BOARD

Reference herein is made to the U.S. Pledge and Security Agreement (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Pledge and Security Agreement"), dated as of February 4, 2000, made by RailAmerica, Inc., a Delaware corporation, Palm Beach Rail Holdings, Inc., a Delaware corporation, and RailAmerica Transportation Corp., a Delaware corporation (the "Company") and each Subsidiary (as defined in the Pledge and Security Agreement) of the Company a signatory thereto, in favor of The Bank of Nova Scotia, as Administrative Agent for each of the Secured Parties.

The Administrative Agent, as of December 27 2000, hereby releases the assignment, pledge, hypothecation, charge, mortgage, delivery, and transfer of the property listed on Schedule I as attached hereto that was recorded with the Surface Transportation Board under Recordation Number 22754.

THE BANK OF NOVA SCOTIA,
As Administrative Agent

By: W.J. Brown
Title: VICE PRESIDENT

State of Georgia)
County of Fulton)

On this 27 day of December, 2000, before me, James R. Wilkin, the undersigned Notary Public, personally appeared William Brown personally known to me to be the person who executed the within instrument as Managing Director & V.P. on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

James R. Wilkin
Notary Public for Gwinnett Co.

My Commission expires 8/22/03

SCHEDULE 1
25 GP-38 LOCOMOTIVES

CORP 3815
CORP 3816
CORP 3817
CORP 3822
CORP 3823
CORP 3824
CORP 3825
CORP 3826
CORP 3828
CORP 3829
CORP 3831
CORP 3832

GR 3839

NECR 3844
NECR 3845
NECR 3846
NECR 3847
NECR 3848
NECR 3849
NECR 3850
NECR 3851
NECR 3852
NECR 3853
NECR 3854
NECR 3855